

Trying to tap a hot market



Miller Beer: Brewer found Hispanics becoming bigger part of beer market.

Got
labeled?
Got
milk?
Got
did it
transit



Bonita:
Canary
pays the
market-
ing share
wagon



Airfare sale teals may be hard to land

By Donna Rosam
SA TODAY

Delta Air Lines kicked off a spring airfare sale Wednesday, but it's not all roses. The airline's sale, which runs through April 15, may not be as good as it sounds, says Terry Tippen, editor of *The Airfare Watch*.

The cheapest round-trip fare from New York to Los Angeles is \$180, says Tippen. That's not too far from the \$175 he says is the lowest fare available.

Tippen says that the airlines' sale is not as good as it sounds. The average round-trip fare from New York to Los Angeles is \$180, says Tippen. That's not too far from the \$175 he says is the lowest fare available.

When sales come out, they're for a limited time period. The airlines' sale is not as good as it sounds. The average round-trip fare from New York to Los Angeles is \$180, says Tippen. That's not too far from the \$175 he says is the lowest fare available.

Top Hispanic market advertisers

Advertisers targeting the Hispanic market in 1991 spent more than \$1 billion last year, up 8% from 1990, according to a survey by the Hispanic Advertising Council.

Advertiser	1991 Spending (\$ millions)	1990 Spending (\$ millions)
Procter & Gamble	5.1	4.7
AT&T	4.2	3.8
McDonald's	4.1	3.7
Amstar-Biscuit	4.0	3.6
Seas Roebuck	2.2	2.0
Pepsi Motts	3.3	3.0
Chrysler-Plymouth	10.4	9.8
J.C. Penney	10.3	9.6
Food Motor	3.9	3.5
Quaker Oats	2.7	2.4

COVER STORY

U.S. advertisers slowly learn to speak Spanish

There's more

to it than
translating
and dubbing

By Melinda Wells
USA TODAY

A handsome, dark-haired man discovers he's fresh out of his favorite instant coffee. Struggling on in his apartment, he spots a woman next door enjoying a steaming cup of Java. His favorite brand name is on the coffee.

Until recently, they were also advertising throughout. To many Hispanics, they still are. Although Hispanic marketing is becoming a hot button on Madison Avenue, the top 50 advertising U.S. marketers spent less than \$300 million on Hispanic advertising last year. That's barely a sliver of the \$16 billion U.S. advertising pie.

Photo: See COVER STORY next page

Layoffs grow in GM strike; talks drag on

By James R. Healey
USA TODAY

General Motors sent another 9,000 workers home Wednesday as effects of a strike in Dayton, Ohio, continued to ripple through the auto giant. The Clinton administration, concerned as fallout from the strike begins to jeopardize the country's fragile economic growth, offered federal mediators to help end the strike.

Labor Secretary Robert Reich made the offer on a TV show Wednesday morning. He said that negotiations for GM and the United Auto Workers seem to be making progress, but did not elaborate.

GM and the UAW have agreed to an information blackout, so Reich's evaluation of the talks was a surprise. The offer of federal mediation was seen as premature. "We would prefer to settle this on our own, and are confident we will be able to work with the union and do that," GM spokesman Gerry Holmes said.

During a brief break in the Dayton talks Wednesday, union barometer Steve Nicksa told reporters, "We're going to contact them, they're going to give in." Negotiators have met almost nonstop since Sunday.

Dayton strikers are protesting their fight they fear will be the loss of about \$25,000 because GM plans to buy brakes and site, non-GM suppliers. And they say, GM demands too much overtime work and won't credit them property in sale use of damaged equipment.

The 3,600 Dayton workers struck March 5 at two GM Delphi plants. GM plants have GM parts used throughout GM.

GM said 175,200 of its 250,000 hourly employees were idle without pay Wednesday, the 18th day of the strike. GM said 25 of 28 North American assembly plants are closed for lack of parts.

Of the three assembly plants not closed by the strike, two are truck plants in Mexico that will shut when they run out of parts. GM won't say when. The third is a Dearborn, Mich., plant closed about a year ago for retooling to build 1997 models. GM says it can continue making repair and replacement parts indefinitely. Those factories are not affected by the strike.

GM had hoped to pressure the UAW by getting states to deny unemployment pay to union workers laid off as a result of the strike. But Oklahoma is sending checks to idled GM workers there. And Maryland says its laid-off GM workers are eligible for public aid.

The AFL-CIO labor coalition says it recently started a new fund called adopt-a-strike that finances contributions from employed union workers.

► Negotiations mean long hours, too
► Smith may need to raise profile, too

Jobless report to reflect GM

By Beth Balton
USA TODAY

Fallout from the 16-day-old General Motors strike is expected in a government report out today.

At 8:30 a.m. ET, the Labor Department is expected to release first-time claims for state unemployment benefits the week ended March 18.

Claims for jobless benefits the week ended March 18 fell 10,000 to 353,000, Labor says. That number could soar 20% or more to above 400,000, economists predict. "This will be the first wave," says economist Diane Swack at First National NBD in Chicago. "And the worst is yet to come."

If the strike isn't settled soon, claims for unemployment benefits could rocket in coming weeks.

The effects of the strike could idle 500,000 U.S. workers after two more weeks, estimates David Cole, director of the University of Michigan's Office for the Study of Automotive Transportation.

Laid-off workers in any state can file for benefits immediately. Many states require a waiting period of a week or more before benefits can be paid. Labor's Tom Savage says some states continue to deny whether laid-off workers are eligible for jobless benefits.

Could the sudden crash of claims leave states trying to raise cash to pay the bills? Probably not, says the money is held in trust funds. Michigan's fund has over \$1 billion, Savage says.

The next government number expected to show the strike's impact is the March unemployment figure due April 5.

deeply union families during a strike. Striking dad asked GM workers would be eligible for that help if top UAW officials ask for it. AFL-CIO spokeswoman Maria Gaudin says she says discussions have been held with the UAW but help has not been sought.

Contributing: Michael Gorman and Bloomberg Business Week

Heavyweight Tyson a feather in Live Hard's cap

Photo: See COVER STORY next page

Photo: See COVER STORY next page

Joe
FUT

2041891999

HISPANIC ADVERTISING

Madison Ave. targets Hispanics

Continued from 1B

Procter & Gamble, the nation's biggest advertiser and largest advertiser to Hispanics, spent \$40 million selling Folgers and other goods to Hispanic audiences last year. But that's the same amount P&G spent on advertising just for Crisco oil.

Crucis say Madison Avenue is ignoring a

COVER STORY

powerful, fast-growing market. The U.S. Hispanic population hit 27.4 million last year. By the turn of the century, it will be the USA's largest ethnic minority group. Average annual Hispanic household income is \$31,562, vs. \$43,133 for all U.S. households, the Census Bureau says. (Average household income for the nation's 33.4 million African-Americans is \$29,259).

"For Hispanics being 10% of the population, they only make up 1% to 2% of everyone's ad budget; that's not enough," says Hector Cana, managing editor of *Hispanic Business*, whose advertisers include American Express and Chase Manhattan.

Hispanics spent about \$28 billion in 1995, up 25% from 1991, according to Miami-based Strategy Research, a market research firm. They spend a disproportionately large amount on nonessential consumer products, such as TVs, stereos, apparel and beauty aides, experts say. And Hispanic consumers are often more receptive to commercial messages than the advertising-saturated mainstream market.

"It's a rapidly growing market and one that's less saturated with advertising messages than the mass market," notes Dr. Jeffrey Humphreys, director of economic forecasting at the University of Georgia. "Dollars spent by advertisers in the Hispanic market may be more profitable than dollars spent in the general market." Marketers are slowly realizing there's a huge, relatively untapped market for financial services, and they're moving aggressively to tap it.

► Allstate is airing its first-ever Hispanic ads, a \$3-million campaign to get more consumers to buy insurance. One spot intones: "There's someone who knows that your little girl is afraid of the boyfriend. And that you would do anything to protect your whole family."

► NationsBank is airing commercials — one features a Spanish-speaking bank operator — to make Hispanics feel comfortable and welcome at bank branches.

► Discount brokerage Charles Schwab is advertising its bilingual services, which include a toll-free number for Spanish-speaking customers. Howard Dade, senior international manager, estimates 4% of Schwab customers are Hispanic.

► Citibank is sponsoring conferences held by the National Society of Hispanic MBA's to beef up visibility among Hispanic consumers and job applicants, says Denise Montana, Citibank's director of diversity management.

► Banks and financial service companies see a huge market out there, because statistics show



Hispanic appeal: Sprint, above, raised its Hispanic ad budget 9% last year. Alka-Seltzer, below, also targets the Hispanic audience.



that Hispanics are making money and ones who are newer to this country are making first-time decisions about which to use," says Cana.

At Aguilar, an San Antonio-based ad agency, Sosa, Bromley, natural, noble compares today's Hispanic consumers to mainstream consumers of the 1950s. "There is an open-air attitude that says 'Tell me more, give me more information,'" the agency's newest client, Carol, wants ads to boost sales to Hispanic customers.

Among other marketers hoping to make big tracks in the Hispanic market through ads, promotions and event sponsorships.

► Nike is sponsoring Major League Soccer on Division one of two Spanish-language cable networks in the USA. Jorge Campos, a Mexican goalie, will appear in ads next month.

► Coca-Cola is sponsoring a Tejano music award ceremony in San Antonio this week. The company also hopes to attract Hispanic teens to Summer Olympics promotions.

► Miller Brewing has begun airing two Hispanic commercials for its new Miller Beer brand. "We have significantly increased our marketing spending for (Hispanics) in 1996," says Noel Hankin, Miller's ethnic marketing director. "Hispanics are becoming a bigger part of the beer category."

► Sprint is going for collect calls with an ad campaign from Sosa Bromley Aguilar for 1-800-

TU-CASA. Sprint raised its Hispanic ad budget 9% last year to \$7 million.

► Mazda hopes a \$3 million ad effort in Miami — the nation's third-largest Hispanic market after Los Angeles and New York — will increase sales of its luxury Millennia model by 11% this year.

Mazda is redubbing English TV spots into Spanish — a once-popular practice that's considered a no-no by Hispanic marketing experts these days.

Some marketers think the consumer isn't savvy enough to realize when a commercial is dubbed over, says Luz de Armas of Conill Advertising, the Hispanic arm of agency Saatchi & Saatchi.

Creating good, effective commercials that are as sophisticated and as sensitive as the best in the mainstream market can be a challenge. Increasingly, marketers are asking Hispanic ad agencies to help, says agency search consultant Arthur Anderson of Morgan Anderson, which has offices in New York and Mexico City.

"It's a very young market and the advertising is starting to reflect that more and more," de Armas adds. "It used to be you couldn't have a Hispanic commercial unless you had a cute little Hispanic grandmother in it."

Emotional, family appeals are still recurring themes in some Hispanic ads. That often means a marketer has to jettison its mass-market campaign theme, especially when humor is difficult to translate. For example, the humorous California Milk Processor Board's "got milk?" campaign was popular with mainstream consumers, but it soured Hispanics.

The board hired Anita Santiago Advertising, a specialist in Hispanic ads. It's "Generations" spots asks mothers if they've given their families enough milk.

Santiago didn't try and replicate the sloppy-burger humor of general market

ads for Carl's Jr., when it was given the California-based restaurant chain's Hispanic ad account. Instead, the agency created festive ads featuring dancing kids, couples and families. "Hispanics are offended by people being sloppy or playing with food. We did something with more family values," she says. "When marketers air commercials that aren't relevant to the Hispanic market, they're telling consumers 'We want your money but we're not going the extra mile to reach you the appropriate way.'"

Similarly, Sears adopted a theme for the Hispanic market even though its "Softer Side of Sears" mainstream campaign translates easily into Spanish. The Hispanic theme: "Everything for you" from agency Mendoza Dillon.

Changing the theme line was a "very calculated decision," Sears marketing chief John Costello says. "Hispanic customers are more aspirational than general market customers," he says. "They shop with the whole family and shop a greater breadth of merchandise."

Costello predicts consumer product companies increasingly will add Hispanic advertising to their mix. "Marketers need to view this not as targeted marketing but as the evolution of marketing to a multicultural society," he says.

Contributing: Laura Petrecca

Local phone firms weave Internet pla

By David J. Lynch
USA TODAY

Even if you can't tell the Internet from a hair net, you'll soon be hearing a lot more about the global computer network. By year's end, many major local telephone companies plan to unveil Internet-access deals.

The moves are aimed at keeping pace in the telephone wars with long-distance giants AT&T and MCI, who rolled out Internet deals earlier this month. Phone companies say consumers want all of their communications services — long-distance, local phone, Internet and video — from a single company. "Many of our customers are expecting us to do this," says Bell Atlantic's Larry Plumb.

About 54% of U.S. homes don't even have a computer, let alone a modem that enables Internet access. "But the people who are their best customers are the ones who have a computer and go on line," says Peter Kraslovsky of Bethesda, Md.-based Acten Communications.

In the consumer market, the regional Bell companies will be months behind their long-distance rivals. They also have a spotty record of marketing advanced services, such as high-speed "ISDN" lines. "I can't imagine how atrocious their offerings are going to be," says Allan Tumolillo of Probe Research, Cedar Knolls, N.J. "They'd be better advised to buy an existing Internet access provider," he says.

For months, Wall Street has expected a phone company to do just

that. Among the Internet reportedly available: Psi market value of \$328 million, at \$230 million; and on-line service, owned by IBM. Some regional Bell Atlantic, already have personnel from Internet.

Still, the Bells boast p into most homes and sur customers, especially smes. The Bells' game plan. ► Pacific Telesis next r unveil its consumer offer nesso-oriented service mae in September.

► Bell Atlantic is expe mid-April announce its > home and business users under way in Washington.

► BellSouth will offer midsummer in 10 cities Atlanta. Ten other cities w ed by year's end.

► US West introduced its business Internet service. Revenue for the first six was \$6.5 million. Consume may wait until early next y. ► Nymex, Ameritech and announce plans this year.

► GTE in December be with 2,000 customers in the Fort Worth area. By year hopes to offer access nam may cut the price of unitl ess from \$24.95 to matc \$13.95 offer.

► AT&T has made (the i try a little rockier and a profitable." Mercer Man consultant Debra McMahon

SEC inquiry halts Internet stock trad

Associated Press

Amid questions from regulators, a small New York brewer said Wednesday that it was suspending a trading system that allows its stockholders to buy and sell the company's shares on the Internet.

Spring Street Brewing's World Wide Web trading system — believed to be the first of its kind — highlights the growing friction between increasing technology and securities laws written in 1934.

The trading system the company launched Friday on its World Wide Web page allowed buyers and sellers to meet and sell its stock. A handful of trades took place before regulators intervened.

Following a conference call Mon-

day with 11 lawyers from the ties and Exchange Comm Chief Executive Andrew agreed to suspend the syste the SEC investigates possibl tions of the Securities Exch

The SEC questioned w Spring Street's trading syste Wit-Trade, named after its W beer, should be registered a ker-dealer under the act.

A trade occurs after buy-sellers contact each other vi and document a trade on a digital "provided by Spring They send a check and stock case through postal mail to Street to complete the deal.

This last step of transfer an ing the stock trade raised the eyebrows, Klein says.

This month

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